TRANSMITTAL FORM

(to be used for all correspondence after initial filing)

Application Number	10/054,086
Filing Date	January 22, 2002
First Named Inventor	John R. Grabski II
Art Unit	3639
Examiner Name	Nathan Erb
Attorney Docket Number	15154.04320

Total Number of Pages in This Submission	28

ENCLOSURES *(Check all that apply)*

[✓] Fee Transmittal Form
   [✓] Fee Attached

[ ] Amendment/Reply
   [ ] After Final
   [ ] Affidavits/declaration(s)

[ ] Extension of Time Request

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[ ] Information Disclosure Statement

[ ] Certified Copy of Priority Document(s)

[ ] Reply to Missing Parts/ Incomplete Application
   [ ] Reply to Missing Parts under 37 CFR 1.52 or 1.53

[ ] Drawing(s)

[ ] Licensing-related Papers

[ ] Petition

[ ] Petition to Convert to a Provisional Application

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[ ] After Allowance Communication to TC

[ ] Appeal Communication to Board of Appeals and Interferences

[✓] Appeal Communication to TC **(Appeal Notice, Brief, Reply Brief)**

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Firm Name	24024
Signature	*Billy C. Raulerson*
Printed name	Billy C. Raulerson
Date	December 4, 2006
Reg. No.	52,156

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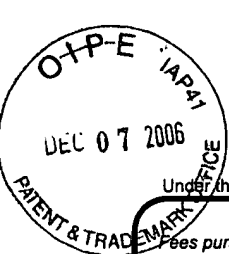
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FEE TRANSMITTAL
For FY 2006

☐ Applicant claims small entity status. See 37 CFR 1.27

TOTAL AMOUNT OF PAYMENT	($)	500.00

Complete if Known	
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DEC 07 2006 (stamp)

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1. BASIC FILING, SEARCH, AND EXAMINATION FEES

Application Type	FILING FEES Fee ($)	Small Entity Fee ($)	SEARCH FEES Fee ($)	Small Entity Fee ($)	EXAMINATION FEES Fee ($)	Small Entity Fee ($)	Fees Paid ($)
Utility	300	150	500	250	200	100	_____
Design	200	100	100	50	130	65	_____
Plant	200	100	300	150	160	80	_____
Reissue	300	150	500	250	600	300	_____
Provisional	200	100	0	0	0	0	_____

2. EXCESS CLAIM FEES

Fee Description	Fee ($)	Small Entity Fee ($)
Each claim over 20 (including Reissues)	50	25
Each independent claim over 3 (including Reissues)	200	100
Multiple dependent claims	360	180

Total Claims	Extra Claims	Fee ($)	Fee Paid ($)
_____ - 20 or HP =	_____	x _____ =	_____

HP = highest number of total claims paid for, if greater than 20.

Indep. Claims	Extra Claims	Fee ($)	Fee Paid ($)
_____ - 3 or HP =	_____	x _____ =	_____

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Multiple Dependent Claims

Fee ($)	Fee Paid ($)
_____	_____

3. APPLICATION SIZE FEE

If the specification and drawings exceed 100 sheets of paper (excluding electronically filed sequence or computer listings under 37 CFR 1.52(e)), the application size fee due is $250 ($125 for small entity) for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).

Total Sheets	Extra Sheets	Number of each additional 50 or fraction thereof	Fee ($)	Fee Paid ($)
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SUBMITTED BY

Signature	*Billy C. Raulerson* (signature)	Registration No. (Attorney/Agent) 52,156	Telephone 216.622.8372
Name (Print/Type)	Billy C. Raulerson		Date December 4, 2006

BEFORE THE BOARD OF APPEALS

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of	:	GRABSKI, J.
For	:	**SYSTEM AND METHOD FOR MEASURING COST OF AN ITEM**
Application No.	:	10/054,086
Confirmation No.	:	3649
Filed	:	January 22, 2002
Examiner	:	ERB, N.
Art Unit	:	3639
Attorney Docket No.	:	15154.04320

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APPELLANT'S BRIEF UNDER 37 C.F.R. § 41.37

Applicant (hereinafter "Appellant") respectfully appeals the final rejection of
claims 1-25, as set forth in the Office Action dated May 4, 2006. A copy of the claims on
appeal is set forth in the attached Appendix.

APPELLANT'S BRIEF UNDER 37 C.F.R. § 41.37
US Application No. 10/054,086
Atty. Docket No. 15154.04320

Table of Contents

REAL PARTY IN INTEREST

The real party in interest is Agilysys, Inc. by virtue of its ownership interest in Aprisa, Inc. Aprisa, Inc. became an owner by virtue of an assignment executed by (an authorized representative of) Supplystream, Inc. on June 20, 2002 and recorded on August 29, 2002 at Reel 013234 and Frame 0291. Supplystream, Inc. became a prior owner at least by virtue of an (unrecorded) assignment executed by the sole inventor (John R. Grabski II) on October 28, 2001 for the parent provisional patent application, serial no. 60/263,632, and any and all other applications based on the invention therein.

RELATED APPEALS AND INTERFERENCES

The Board is notified of a pending appeal in U.S. patent application no. 10/135,863 entitled Inventory Item Optimization System and Method, wherein the Notice of Appeal was filed on August 21, 2006 and the Appeal Brief was filed on October 23, 2006, which may or may not be related to, directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

STATUS OF THE CLAIMS

Claiming the benefit of a provisional patent application (serial no. 60/263,632) filed on January 23, 2001, the subject utility patent application was filed on January 22, 2002 with original claims 1-19.

Thereafter, a non-final Office Action was mailed on December 22, 2005, wherein pending claims 1-19 were rejected. In response to the non-final Office Action, Appellant filed an Amendment on March 21, 2006, wherein claims 1-5, 7-9, 11-12 and 14-19 were amended. Additionally, new claims 20-25 were added.

A final Office Action was subsequently mailed on May 4, 2006, wherein pending claims 1-25 were finally rejected. In response to the final Office Action, Appellant filed an Amendment on August 4, 2006, wherein claim 23 was amended to overcome the Examiner's objection to the claim. No other amendments were made to claims 1-25 after the final rejection. In an Advisory Action mailed on August 16, 2006, the Examiner indicated that for purposes of appeal, the aforementioned amendment to claim 23 would be entered.

Accordingly, the claims pending in the application are claims 1-25, with no claims having been canceled. None of the pending claims are allowed. None of the pending claims are objected to. None of the pending claims have been withdrawn from consideration. The claims on appeal are the pending and finally rejected claims 1-25, as shown in the attached Claims Appendix.

STATUS OF AMENDMENTS

As noted above, claim 23 was amended after its final rejection to address a formality raised by the Examiner. In the Advisory Action mailed on August 16, 2006, the Examiner indicated that for purposes of appeal, the Amendment filed on August 4, 2006 (including the after-final amendment to claim 23) would be entered. No other amendments were filed subsequent to a final rejection (i.e., the final rejection of claims 1-25 as set forth in the final Office Action dated May 4, 2006).

SUMMARY OF CLAIMED SUBJECT MATTER

Claims 1, 11-12 and 19 are the independent claims on appeal. Claims 1 and 11 are directed to cost processing systems for determining a transaction cost of an item; claim 12 is directed to a method for determining a transaction cost of an item and claim 19 is directed to an article of manufacture comprising a computer-readable medium storing a program for determining a transaction cost of an item. In this manner, each of the claims relates to determining a transaction cost of an item. See Appellant's specification ¶¶ 6-8 (hereinafter ¶ x).

As an aspect of managing a business, software can be used to measure the cost of business processes. See ¶ 2. For example, conventional software programs capture the costs to manufacture a product or supply a service, which allows a company to measure the profitability in supporting various customers that purchase the company's product or service. See ¶ 2. The conventional software programs, which measure the costs to support customers, are limited in their capacity to differentiate various transaction costs associated with each item that collectively make up the costs to do business with individual suppliers. See ¶ 3.

To remain competitive, suppliers have come up with ways to offer products with varying "value added" features that reduce the total cost of ownership for their customers. See ¶ 4. As one example of a value added feature, bar coding is added by a supplier to its products to reduce the customer's costs of handling the products. See ¶ 4. The conventional software programs and systems that measure costs associated with specific customers do not account for these supplier-related costs. See ¶ 5. As a result, the conventional software programs and systems do not provide the tools needed to analyze the difference between the costs of an item with one or more value-added supply features from the costs of the item supplied without the one or more value-added supply features. See ¶ 5. For example, the conventional software programs and systems are not capable of differentiating between the cost of an item supplied with a bar code and the cost of the item supplied without the bar code. See ¶ 5.

Accordingly, the present invention encompasses embodiments that more accurately determine the transaction costs associated with an item that is obtained by a business. See ¶ 6. In one embodiment, a cost processing system defines one or more departments which produce cost-driving transactions, including a department for transacting the item if the item is supplied with a value-added feature; defines an allocation of business expenditures attributable to each department; obtains a number of items transacted in each department; and determines the transaction cost of the item in each of the departments transacting the item based on the allocation of business expenditures to each of the departments and the number of items transacted in each of the departments. See claims 1 and 11. In this manner, the determined transaction cost of the item accounts for supplier-related costs. See claims 1 and 11. Another embodiment is directed to a method for similarly determining a transaction cost of an item. See claim 12. Still another embodiment is directed to an article of manufacture comprising a computer-readable medium storing a program for similarly determining a transaction cost of an item. See claim 19.

In still other embodiments, the transaction cost of an item can be determined for a specified period of time. See ¶ 27 and claims 2-3 and 13-14.

As noted above, one or more departments within the business may be defined based on differentiating cost-driving activities or transactions that are associated with some items but not others. See ¶ 28. A cost-driving activity or transaction can be any one or more activities related to processing or handling an item that uses resources of the business. See ¶ 28. Defining the different departments facilitates distinguishing the cost-driving transactions associated with one item from the cost-driving transactions associated with another item. See ¶ 28.

For example, two different receiving departments may be defined for the business: a bar-code receiving department and a traditional non-bar-code receiving department. See ¶ 29. In this manner, the expenditures that are associated with processing the items having a bar code can be allocated separately from the expenditures

associated with processing the items without a bar code. See ¶ 29. The difference in the cost of processing bar-coded versus non-bar-coded items can be readily seen in the labor expenditures made by the two different departments. See ¶ 29. Labor expenditures in the bar-code receiving department may tend to be less than the labor expenditures in the traditional receiving department where item information must be recorded or put into a computer system manually. See ¶ 29. Accordingly, the transaction cost of processing an item that is bar-coded can be determined separately from the transaction cost of processing an item that is not bar-coded, which ultimately impacts the cost of each item incurred by the business. See ¶ 29.

As noted above, the business expenditures are allocated to the various defined departments. See ¶ 31. The term "business expenditure" refers to expenses, investments and/or any utilization of resources that a business makes in its day to day operation. See ¶ 31. Business expenditures are often categorized under named business accounts such as, for example, office supplies, computer equipment, depreciation, payroll, tow motor vehicles, utilities, property tax, etc. See ¶ 31. The method or format by which business expenditures are stored in data files and/or inputted generally depends on the type of the business. See ¶ 32. The business expenditures can be allocated to the defined departments based on various criteria, for example, the relative physical size of the departments. See ¶¶ 34-37.

The transaction cost of a single item in each department can be determined from the transaction costs incurred and the number of items processed or handled in each department for a time period. See ¶ 40. For example, the transaction cost of an item in a particular department can be calculated by summing the expenditures that were allocated to the department and dividing the resulting value by the number of items processed in the department. See ¶ 40. The transaction cost of an item in each department can vary from department to department as a result of different cost-driving activities associated with each department. See ¶ 41.

The transaction cost of an item to the business can also be determined, for example, by summing the transaction cost of the item in each and every department of the business that processes and/or handles the item. See ¶ 42. The transaction cost of the item is useful for comparing costs associated with two different items or the same type of item supplied by two different companies. See ¶ 43. For example, the transaction cost of a pencil from a supplier A in a department and/or a business can be compared to the transaction cost of a pencil from a supplier B. See ¶ 43.

In view of the above, embodiments of the present invention (e.g., claims 1, 11, 12 and 19) enable a business to quantify the impact of value-added supply features. See ¶ 44. In this manner, the transaction cost of an item, in addition to the purchase price, can be used to evaluate various suppliers offering different supply packages. See ¶ 44. Embodiments of the present invention can also allow a business to determine which departments (and, therefore, which cost-driving activities) cause an item to be particularly economical or costly. See ¶ 44. Furthermore, embodiments of the present invention can also allow a business to determine which suppliers and/or customers are profitable business partners. See ¶ 44.

GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

1.   Whether claims 1-11, 20-21 and 24 are unpatentable under 35 U.S.C. § 103(a) over the proposed combination of the Anthony publication[1] ("Anthony"), in view of the Avery publication[2] ("Avery") and the Ellram publication[3] ("Ellram").

2.   Whether claims 12-19, 22-23 and 25 are unpatentable under 35 U.S.C. § 103(a) over the proposed combination of Anthony in view of Avery.

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[1] Anthony et al., *Accounting: Text and Cases*, 1995 (9th ed.), pp. 115-118, 531-534 and 612-616.
[2] Avery, Susan, *MRO Purchasing Plays Roles in Reshaping the Distribution Channel*, <u>Purchasing</u>, May 20, 1999, p. 108.
[3] Ellram, Lisa, *Total Cost of Ownership: Elements and Implementation*, <u>International Journal of Purchasing and Materials Management</u>, Fall 1993, pp. 3-11.

ARGUMENT

Introduction

As noted above, the grounds of rejection to be reviewed on appeal are (1) whether claims 1-11, 20-21 and 24 are unpatentable under 35 U.S.C. § 103(a) over the proposed combination of Anthony, in view of Avery and Ellram and (2) whether claims 12-19, 22-23 and 25 are unpatentable under 35 U.S.C. § 103(a) over the proposed combination of Anthony in view of Avery. It is respectfully submitted that for at least the following reasons, (1) claims 1-11, 20-21 and 24 are patentable under 35 U.S.C. § 103(a) over the proposed combination of Anthony, in view of Avery and Ellram and (2) claims 12-19, 22-23 and 25 are patentable under 35 U.S.C. § 103(a) over the proposed combination of Anthony in view of Avery.

Rejection of Claims 1-11, 20-21 and 24 under 35 U.S.C. § 103(a) over Anthony, in view of Avery and Ellram

With respect to claims 1-11, 20-21 and 24, claims 1 and 11 are the independent claims. Claims 1 and 11 are directed to cost processing systems for determining a transaction cost of an item. In claims 1 and 11, a department is defined for the item supplied with a value-added feature. In claims 1 and 11, the transaction cost of the item in each of the departments transacting the item based on an allocation of business expenditures to each of the departments and a number of the items transacted in each of the departments is determined.

The Examiner acknowledges that Anthony fails to disclose or suggest that a department is defined for an item supplied with a value-added feature. See Office

Action, page 4. Instead, the Examiner alleges that Avery makes up for this deficiency of

Anthony. In particular, the Examiner alleges that Avery discloses an item supplied with a

value-added feature by disclosing that wholesalers may need to explore with their

customers value-added services such as payment via electronic funds transfer. See Office

Action, page 4. The Examiner then jumps to the conclusion that it would have been

obvious to one of ordinary skill in the art at the time of Applicant's invention to modify

Anthony such that an item is supplied with a value-added feature. See Office Action,

page 4. The Examiner's motivation, purportedly found in Avery, is that the definition of

a value-added service is that it adds value to a product or service, such that the motivation

for having a value-added feature is implicitly disclosed by Avery. See Office Action,

page 4.

It is respectfully submitted that the Examiner's reasoning is flawed. The question

is not whether a value-added service somehow adds value to a product or service, but

whether one of ordinary skill in the art (at the time of Applicant's invention) would have

been motivated from the references themselves and not Applicant's own disclosure to

combine Anthony and Avery in the manner proposed. See MPEP §§ 2142-43. As the

Federal Circuit noted in *In re Sang Su Lee*, an examiner can satisfy the burden of

showing obviousness of the combination "only by showing some objective teaching in

the prior art or that knowledge generally available to one of ordinary skill in the art would

lead that individual to combine the relevant teachings of the references." 277 F.3d 1338,

1343 (Fed. Cir. 2002) (*citing In re Fritch*, 972 F.2d 1260 (Fed. Cir. 1992)).

Here, it appears that the Examiner is impermissibly relying on Applicant's own

disclosure as the motivation for combining Anthony and Avery. Again, the Federal

Circuit has noted that "[its] case law makes clear that the best defense against the subtle

but powerful attraction of a hindsight-based obviousness analysis is rigorous application

of the requirement for a showing of the teaching or motivation to combine prior art

references." *In re Sang Su Lee*, 277 F.3d 1338, 1343 (2002). Avery merely discusses

that value-added services may play a role in electronic commerce between wholesalers

and their customers. See Avery, Section A. The Examiner does not articulate and indeed

the references do not provide any motivation or suggestion for combining Avery's

mention of value-added services in the context of e-commerce with the general

accounting principles discussed in Anthony in such a manner as to render any of the

claims obvious. Instead, it is only Applicant's own disclosure that relates to determining

a transaction cost of an item in each of the departments transacting the item, including a

department for transacting the item if the item is supplied with a value-added feature.

Anthony and Avery, alone or in combination, fail to disclose or suggest defining a

department for transacting an item if the item is supplied with a value-added feature.

Ellram fails to make up for the above-noted deficiencies of Anthony and Avery.

For example, Ellram fails to disclose or suggest any mechanism for defining a department

for transacting an item if the item is supplied with a value-added feature.

For at least the above reasons, the Examiner fails to establish a *prima facie* case of

obviousness by providing a reasonable motivation (lacking impermissible hindsight) for

combining the references. Furthermore, even if the references were combined in the

manner proposed, the Examiner fails to establish that the Anthony-Avery-Ellram

combination would disclose or suggest all of the recited limitations. By way of example,

the Anthony-Avery-Ellram combination proposed by the Examiner would not disclose or

suggest the "allocation of business expenditures attributable to each department,"

including the department defined for the instance that the item is supplied with a value-

added feature; "obtain[ing] a number of items transacted in each department," including

the department defined for the instance that the item is supplied with a value-added

feature; and determining "the transaction cost of the item in each of the departments

transacting the item," including the department defined for the instance that the item is

supplied with a value-added feature, for an item supplied with a value-added feature.

Therefore, it is respectfully submitted that claims 1 and 11 are not rendered

obvious by the proposed Anthony-Avery-Ellram combination. Furthermore, claims 2-10,

20-21 and 24 are patentable over the Anthony-Avery-Ellram combination at least by

virtue of their dependency, as well as the additional features recited therein.[4]

For example, claim 8 recites "logic to sum the business expenditures allocated to

each department transacting the item; and logic to divide the sum for each department

transacting the item by the number of items transacted in the respective departments." As

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[4] On the continuation sheet (i.e., page 2) of the Advisory Action mailed on August 16, 2006, the Examiner implies in the last paragraph that the patentability of the dependent claims is predicated on the patentability of the independent claims. This is not true. A dependent claim is narrower than the independent claim from which it depends and, thus, may be patentable regardless of the patentability of the independent claim itself.

a result, the transaction cost of the item in each of the respective departments is obtained.

Consequently, a user is able to obtain a department-by-department view of the transaction

cost of an item. This further facilitates comparison of processing of an item without a

value-added feature to processing of the item with the value-added feature. The portion

of Anthony relied on by the Examiner, however, merely notes that the average cost per

unit is the total cost dived by the volume. Accordingly, claim 8 is not rendered obvious

by the proposed Anthony-Avery-Ellram combination.

As another example, claim 20 recites that "the department logic defines a

department for transacting the item if the item is supplied without the value-added

feature." Accordingly, claim 20 requires logic that defines a first department for

transacting the item if the item is supplied with the value-added feature and a second

department for transacting the item if the item is supplied without the value-added

feature. It is respectfully submitted that the proposed Anthony-Avery-Ellram

combination fails to disclose or suggest these features of claim 20.

Rejection of Claims 12-19, 22-23 and 25 under 35 U.S.C. § 103(a) over Anthony in view of Avery

With respect to claims 12-19, 22-23 and 25, claims 12 and 19 are the independent

claims. Claim 12 is directed to a method for determining a transaction cost of an item.

Claim 19 is directed to an article of manufacture comprising a computer-readable

medium storing a program for determining a transaction cost of an item. Claim 12

recites, among other things, "defining one or more departments which produce cost-

driving transactions including a department for processing the item if the item is supplied

with a value-added feature." See also claim 19.

It is respectfully submitted that claims 12 and 19 are patentable over the proposed

Anthony-Avery combination based on a rationale analogous to that set forth above for

claims 1 and 11. Furthermore, claims 13-18, 22-23 and 25 are patentable over the

Anthony-Avery combination at least by virtue of their dependency, as well as the
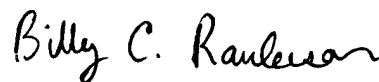
additional features recited therein.

Conclusion

For at least the reasons set forth above, Appellant respectfully requests that the

Board reverse the rejection of claims 1-25.

If any fee is due with this Appeal Brief, please charge our Deposit Account No.

03-0172.

Respectfully submitted,

CALFEE, HALTER & GRISWOLD LLP

Billy C. Raulerson

December 4, 2006

Billy Carter Raulerson
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CLAIMS APPENDIX

Claims 1-25, as set forth below, are the claims on appeal from the final rejection as set forth in the Office Action dated May 4, 2006.

1. A cost processing system for determining a transaction cost of an item, the system comprising:

department logic to define one or more departments which produce cost-driving transactions;

allocation logic to define an allocation of business expenditures attributable to each department;

item logic to obtain a number of items transacted in each department; and

cost logic to determine the transaction cost of the item in each of the departments transacting the item based on the allocation of business expenditures to each of the departments and the number of items transacted in each of the departments,

wherein the department logic defines a department for transacting the item if the item is supplied with a value-added feature, and

whereby determining the transaction cost of the item accounts for supplier-related costs.

2. The cost processing system of claim 1 further comprising time period logic to define a time period for determining the transaction cost of the item.

3.   The cost processing system of claim 2 further comprising an interface for a user to define the time period, define the one or more departments, and define the allocation of the business expenditures to the departments.

4.   The cost processing system of claim 1 further comprising expenditure logic to obtain data on the business expenditures.

5.   The cost processing system of claim 1 wherein the department logic comprises logic for defining a physical space measurement associated with each of the departments.

6.   The cost processing system of claim 1 wherein the allocation logic comprises logic to define the allocation of business expenditures to each of the departments based on at least one of a predetermined monetary amount and a proportion of the business expenditures.

7.   The cost processing system of claim 5 wherein the allocation logic comprises logic to define the allocation of business expenditures to each of the departments based on at least one of the physical space measurement of each department, a predetermined monetary amount, and a proportion of the business expenditures.

8.   The cost processing system of claim 1 wherein the cost logic to determine the transaction cost of the item comprises:

logic to sum the business expenditures allocated to each department transacting the item; and

logic to divide the sum for each department transacting the item by the number of items transacted in the respective departments to obtain the transaction cost of the item in each of the respective departments.

9.   The cost processing system of claim 8 wherein the cost logic further comprises logic to sum the transaction cost of the item in each of the departments transacting the item, to obtain the transaction cost of the item to a business.

10.   The system of claim 1 wherein the system is embodied as a computer software product having computer-readable instructions.

11.   A cost processing system for determining a transaction cost of an item, the system comprising:

means for defining one or more departments which produce cost-driving transactions;

means for defining an allocation of business expenditures attributable to each department; and

means for determining the transaction cost of the item in each of the departments transacting the item based on a number of items transacted in each of the departments and the allocation of business expenditures to each of the departments,

wherein a department is defined for the item supplied with a value-added feature, and

whereby determining the transaction cost of the item accounts for supplier-related costs.

12.   A method for determining a transaction cost of an item, the method comprising:

defining one or more departments which produce cost-driving transactions including a department for processing the item if the item is supplied with a value-added feature;

allocating business expenditures to the departments;

obtaining a number of items processed in each of the departments;

determining the transaction cost of the item in each department processing the item based on the allocation of business expenditures to each department and the number of items processed in each department; and

outputting the transaction cost.

13.   The method of claim 12 further comprising:

defining a time period of cost evaluation.

14.   The method of claim 13 further comprising:

obtaining data on the business expenditures in the time period.

15.   The method of claim 12 wherein the allocating the business expenditures to the departments is based on at least one of a predetermined monetary amount, and a proportion of the business expenditures.

16.   The method of claim 12 further comprising:

defining a physical space measurement for each of the departments; and

wherein the allocating the business expenditures to the departments is based on at least one of a defined space requirement of each department, a monetary amount, and a proportion of the business expenditures.

17.   The method of claim 12 wherein the transaction cost of the item is determined by:

summing the business expenditures allocated to each department processing the item to obtain a sum; and

dividing the sum by the number of items processed in each of the respective departments to obtain the transaction cost of the item for each department.

18.   The method of claim 17 further comprising:

summing the transaction cost of the item for each department that processes the item to obtain the transaction cost of the item to a business.

19.   An article of manufacture comprising a computer-readable medium storing a program for determining a transaction cost of an item, the program including instructions for causing a computer to:

define one or more departments which produce cost-driving transactions including a department for processing the item if the item is supplied with a value-added feature;

allocate business expenditures to the departments;

determine the transaction cost of the item in each department processing the item based on a number of items processed in each of the departments and the allocation of business expenditures to each of the departments; and

output the transaction cost.

20.   The cost processing system of claim 1 wherein the department logic defines a department for transacting the item if the item is supplied without the value-added feature.

21.   The cost processing system of claim 11 wherein a department is defined for the item supplied without the value-added feature.

22.   The method of claim 12 further comprising defining a department for processing the item if the item is supplied without the value-added feature.

23.   The article of manufacture of claim 19 where the program further includes instructions for causing the computer to define a department for processing the item if the item is supplied without the value-added feature.

24.   The cost processing system of claim 1, wherein the value-added feature is one of bar-coded packaging and support for electronic payment.

25.   The method of claim 12, wherein outputting the transaction cost includes one of displaying the transaction cost, printing the transaction cost and storing the transaction cost.

EVIDENCE APPENDIX

None

RELATED PROCEEDINGS APPENDIX

None